

**Legislation enacted by the 125<sup>th</sup> Maine State Legislature amends two sections of the Real Estate Brokerage Act (PL 286).**

**Effective September 28, 2011 a location that is advertised as a place where the public may contact the agency for brokerage services must be licensed as a branch office (see §13173 [6] below) and an agency-client brokerage agreement (either listing or buyer representation) must include a statement that the agreement creates an agency-client relationship (see §13177-A below).**

**The change to the branch office provision clarifies the conduct that triggers the requirement for a location to be licensed as a branch office. The requirement to include the statement that the agreement creates an agency-client relationship will require real estate agencies to amend their agency-client listing and buyer representation agreements to add the new mandatory statement.**

**Again, both changes are effective September 28, 2011.**

**32 MRSA §13173, sub-§6**, as amended by PL 1999, c. 129, §7 and affected by §16, is further amended to read:

**6. Branch office.** Other locations ~~where real estate brokerage business is regularly conducted or~~ that are advertised as locations where the public may contact the agency or its employees concerning brokerage services must be licensed as a branch office. ~~In order to qualify for a branch office license, the agency designated broker may designate another broker to act as branch manager, in which case the manager has designated broker responsibilities for that office.~~

**32 MRSA §13177-A, sub-§2**, as enacted by PL 2005, c. 378, §4 and affected by §29, is amended to read:

**2. Written agreements.** A brokerage agreement between a real estate brokerage agency and a client must be in writing and, at a minimum, include the following:

- A. The signature of the client to be charged;
- B. The terms and conditions of the brokerage services to be provided;
- C. The method or amount of compensation to be paid; ~~and~~
- D. The date upon which the agreement will expire; and
- E. A statement that the agreement creates an agency-client relationship.

A brokerage agreement may not be enforced against any client who in good faith subsequently engages the services of another real estate brokerage agency following the expiration date of the first brokerage agreement. Any brokerage agreement provision extending a real estate brokerage agency's right to a fee following expiration of the brokerage agreement may not extend that right beyond 6 months.